

OFFICE OF ADMINISTRATION

FINANCIAL SUMMARY

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	FY 2003 REQUEST	GOVERNOR RECOMMENDS FY 2003
Commissioner's Office	\$ 46,113,440	\$ 119,444,103	\$ 75,251,459	\$ 68,247,251
Division of Accounting	599,318,282	651,761,544	714,952,094	666,343,735
Division of Budget and Planning	1,967,870	2,203,233	1,961,295	1,917,018
Division of Information Services	11,560,692	10,759,470	9,074,724	8,970,222
Division of Design and Construction	2,015,287	2,291,576	2,352,480	2,293,212
Division of Personnel	3,687,118	3,773,028	3,819,658	3,740,288
Division of Purchasing and Materials Management	4,969,529	5,439,220	5,533,626	5,439,220
Division of Facilities Management	21,472,691	22,245,826	22,778,486	22,556,471
Division of General Services	23,634,560	24,410,685	24,462,103	24,855,764
Assigned Programs	5,224,366	9,630,389	27,466,606	16,237,342
TOTAL	\$ 719,963,835	\$ 851,959,074 *	\$ 887,652,531	\$ 820,600,523
General Revenue Fund	504,047,658	557,402,226	612,877,705	557,341,761
Federal Funds	100,004,219	108,815,728	130,821,644	124,152,301
Other Funds**	115,911,958	185,741,120	143,953,182	139,106,461
Full-time equivalent employees	1,000.22	1,106.29	1,111.62	1,107.62

* Does not include \$1 recommended in the Fiscal Year 2002 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding Office of Administration supplemental appropriations.

POLICY SUMMARY

The Office of Administration is the central state agency responsible for promoting government accountability, effectiveness, and efficiency. For Fiscal Year 2003, the Governor recommends \$820.6 million for continued improvement in the use of state resources, employee benefits, and other responsibilities assigned to the Commissioner of Administration.

A weakened economy and considerable growth in mandatory programs like Medicaid has resulted in the most significant budget challenge the state has faced since the early 1990s. The Fiscal Year 2003 budget includes the deepest core reductions ever recommended by a Missouri governor. These core reductions are necessary to ensure a balanced budget while continuing to provide essential state services. There are relatively few general revenue fund increases recommended in the Fiscal Year 2003 budget, and those that are recommended focus on mandatory programs. Governor Holden's number one priority is to fully fund the foundation formula distributions to public schools.

Some performance measures the Office Administration uses to evaluate its leadership in administering state operations follow:

	1999	2000	2001
Percentage of minority state employees earning in the top quartile	9.43%	9.34%	9.44%
Percentage of non-minority women state employees earning in top quartile	38.10%	37.93%	38.11%
Percentage of state government purchases from minorities	N/A	3.66%	5.63%
Percentage of state government purchases from women	N/A	4.02%	5.24%
General Revenue reductions or redirections (millions)	\$127.8	\$167.2	\$153.0

LIFE SCIENCES

The Office of Administration administers the \$21.5 million Life Sciences Industry Initiative for the state of Missouri. Life sciences is an emerging sector in the new economy of the 21st century, and Missouri is well positioned to play a central role in its development. The state grant program for life sciences research is important for building a solid public/private partnership around a statewide plan to generate growth in the industry. These grants will focus resources on biotechnology that is revolutionizing health care, food production, and manufacturing. Not only will the growth of these industries in Missouri produce thousands of high-paying jobs and help Missouri's vital agricultural industry, but the results will enhance the quality of life for citizens both within and outside of Missouri.

OFFICE OF ADMINISTRATION

POLICY SUMMARY (Continued)

HOMELAND SECURITY

National events in recent months have heightened states' awareness of security and measures that can be taken to ensure that sound plans are in place to respond to an emergency. It is critical that the infrastructure necessary for maintaining the economy is secure, and that the confidence of Missouri's citizens is maintained with regard to the state's ability to respond to an emergency. The Office of Administration is part of a statewide effort to enhance the security of the state's most precious assets. The following is recommended in support of this effort:

- \$384,213 general revenue and two staff to provide security at the Truman State Office Building and the State Health Laboratory. Also with this funding, security surveillance will be enhanced at state-owned facilities throughout the state and maintained on a 24-hour, 7 day-per-week basis.
- \$1 federal funds to implement homeland security measures in Missouri.

SMART TECHNOLOGICAL INVESTMENTS

The Office of Administration strives to improve the state's business processes in the areas of budget, finance, purchasing, and human resources. The Fiscal Year 2003 budget supports wise investment in technology – investments that will improve the productivity and effectiveness of state agencies, including:

- \$8,747,743 for the Office of Information Technology to continue the federal Justice Integration Program that was funded in the Fiscal Year 2002 budget. There is a national effort to implement a comprehensive and consistent criminal justice information technology infrastructure, and states receiving federal money for this purpose will supplement this effort. This funding will provide justice agencies of the state with the ability to respond proactively to communities with high-risk and repeat offenders.
- \$249,373 for software licensing renewal fees to address continued maintenance and enhancement of SAM II.

STATE EMPLOYEE COMPENSATION AND BENEFITS

To deliver high-quality services, the state must be able to compete for qualified, high-performing employees at all levels of government. State employee compensation policy is faced with two problems. First, state employee salaries are on average 13.8 percent below the market rate. The table below shows how employee salaries compare to the market based on various surveys and indexes.

<u>Survey/Index of Comparison</u>	<u>Cumulative Growth since July 1990</u>
American Compensation Assoc. Survey of Compensation	56.0 percent
Employment Cost Index	46.9 percent
Consumer Price Index	36.1 percent
State Employees - Uniform Classification and Pay System	40.0 percent

Second, the average percentage by which all classes are behind the market masks the fact that some jobs are paid at the market rate while others lag by more than 20-25 percent. This wide disparity makes it difficult for the state to recruit and retain employees in many job classes. Governor Holden is committed, with available funds, to providing fair and equitable compensation in state government to reward and retain productive employees. Although in Fiscal Year 2003, state revenue growth will not be sufficient to support a general compensation increase for state employees, a significant increase for employees' health care benefits is recommended by the Governor.

Missouri Consolidated Health Care Plan:

- \$18,484,780 to continue the current state subsidy level for employee health care benefits through calendar year 2002, including \$12,902,129 general revenue.
- \$3,120,713 to fund the start of SCR 27 (2001), making the state contribution toward retiree health care premiums based on an employee's length of service with the state. This tenure-based subsidy policy is meant to add value to the current benefits package and to encourage employees to continue in state employment with a career goal of 30 years of state service.
- \$5,598,532 to set up a reserve for a self-insured HMO plan for certain areas of the state that are not well served under existing contracts, including \$3,907,700 general revenue.

OFFICE OF ADMINISTRATION

COMMISSIONER'S OFFICE

This organization consists of the Commissioner of Administration and the central staff, including the department's legal counsel, the state human relations officer, the Office of Equal Opportunity, and the Office of Excellence in Customer Service. The commissioner directs the one agency that provides central services and support to all other agencies of state government. These services include accounting, budget and planning, information services, building design and construction, leasing operations, facilities management, personnel, purchasing, and general services. The Office of Administration also houses the Office of Information Technology, which directs statewide policy, procedures, and standards for information technology. Also included in the Office of Administration are the Missouri Ethics Commission, the Administrative Hearing Commission, the Children's Trust Fund, and the Children's Services Commission.

Fiscal Year 2003 Governor's Recommendations

- \$1,082,682 and 13 staff reallocated from the Division of Information Services.
- \$596,789 and 16 staff reallocated from the Division of Accounting, including \$557,561 general revenue.
- \$45,644 and one staff reallocated from the Division of General Services.
- \$6,500 transferred from the Division of Information Services.
- (\$50,000,000) other funds core reduction from the Fiscal Year 2002 appropriation level.
- (\$7,884) transferred to the Administrative Hearing Commission.

FLOOD CONTROL LANDS GRANT

The Flood Control Lands Grant is a "pass-through" of funds that represents 75 percent of the monies from leases of the land owned by the United States under the Flood Control Act. Sections 12.080 and 12.090, RSMo, prescribe that the funds be used for the benefit of public schools and public roads of the county in which the government land is situated. These funds may also be used for any expenses of the county government, including public obligations of levee and drainage districts for flood control and drainage improvements.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

NATIONAL FOREST RESERVE GRANT

The National Forest Reserve Grant is a "pass-through" of funds which is received from the federal government. Sections 12.070 and 12.090, RSMo, provide for 25 percent of all the money received by the National Forest Reserve by the state to be expended for the benefit of public schools and public roads of the county in which the forest reserve is located. Of the total received, 75 percent will be spent for public schools and 25 percent for public roads.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

CLARENCE CANNON PAYMENT

A contract with the U.S. Army Corps of Engineers, developed with the concurrence of the executive and legislative branches, requires that the state pay a share of the cost of water supply storage in Mark Twain Lake on the Salt River in northeastern Missouri. The contract results from a request by the state for the Corps to build water supply storage into the Clarence Cannon Dam project to meet water needs of that part of Missouri which has been chronically short of potable water.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

OFFICE OF ADMINISTRATION

COMMISSIONER'S OFFICE (Continued)

COUNTY JUVENILE PERSONNEL REIMBURSEMENTS

The state is required to reimburse specified counties for 25 percent of their juvenile court expenditures.

Fiscal Year 2003 Governor's Recommendations

- (\$1,880,000) core reduction from the Fiscal Year 2002 appropriation level.

COMPACT FOR EDUCATION

The payment of dues for the Compact for Education allows Missouri to maintain a position of leadership and cooperation with other states in the field of education. The Compact for Education serves as a clearinghouse for information on matters relating to educational issues. The Education Commission of the States consists of seven representatives from each state, of which one member shall be the Governor, two shall be members of the state legislature, and four shall be appointed by the Governor. The commission fosters research and suggests policies and plans for the improvement of public education as a whole.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

COUNTY PROSECUTION REIMBURSEMENTS

The state may provide reimbursement to counties for expenses incurred in the prosecution of crimes occurring within correctional institutions and expenses of trials of capital cases in limited circumstances.

Fiscal Year 2003 Governor's Recommendations

- (\$24,000) core reduction from the Fiscal Year 2002 appropriation level.

COSTS IN CRIMINAL CASES

In accordance with Chapters 550 and 548 and Section 57.290, RSMo, the state pays counties and sheriffs for court costs of indigents in criminal cases and costs of incarceration, transporting prisoners to state prisons, and serving extradition warrants.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

REGIONAL PLANNING COMMISSIONS

State financial aid enables local governments, through regional planning commissions, to initiate programs and services identified as important by member governments. State funds are matched by local funds.

Fiscal Year 2003 Governor's Recommendations

- (\$230,000) core reduction from the Fiscal Year 2002 appropriation level, including (\$180,000) general revenue.

OFFICE OF ADMINISTRATION

COMMISSIONER'S OFFICE (Continued)

PUBLIC TELEVISION AND PUBLIC RADIO GRANTS

Funds are distributed through these grants to Missouri public television stations and public radio stations for assistance in operating costs.

Fiscal Year 2003 Governor's Recommendations

- (\$526,153) core reduction from the Fiscal Year 2002 appropriation level.

LAND GRANT COLLEGE PROGRAM

Land grants are intended for the colleges of agriculture and mechanical arts eligible for federal funding support as provided by acts of Congress in 1899 and 1907. In accordance with Section 172.730, RSMo, distribution of the grant is made in the following manner: 1/16 of total to Lincoln University; 1/4 of total to the University of Missouri-Rolla; and the balance to the University of Missouri-Columbia.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

ELECTED OFFICIALS TRANSITION

The state provides operating costs for the transition into office of newly elected state officials, including the Governor, Lieutenant Governor, Secretary of State, Auditor, Treasurer, and Attorney General.

Fiscal Year 2003 Governor's Recommendations

- \$10,000 for executive office transition costs.

SPECIAL ELECTION COSTS

Section 115.077, RSMo, requires the state and political subdivisions submitting questions or candidates in a special election to deposit their proportional share of the costs with the election authority not later than the third Tuesday prior to the election. This appropriation allows the state to comply with the law by prepaying its share of the estimated expenses of a special election. The state is also required to reimburse local election authorities for certain other expenses attributable to changes in state law. Should a special election be called, expenditures made from this appropriation will be transferred to the state election subsidy fund for disbursement.

Fiscal Year 2003 Governor's Recommendations

- \$450,000 for the state's share of special election costs.
- (\$720,430) core reduction from the Fiscal Year 2002 appropriation level.

DIVISION OF ACCOUNTING

The Division of Accounting maintains all financial records for state appropriations and funds, processes payments, controls production of warrants, and distributes checks. The division also issues warrants to the State Treasurer for expenditures; maintains computerized accounting, payroll, and check writing systems; and administers the Social Security Act for the state and political subdivisions. The division also provides financial data to executive and legislative officials.

Fiscal Year 2003 Governor's Recommendations

- \$23,970 transferred from the Division of Information Services.
- (\$596,789) and (16) staff reallocated to the Commissioner's Office, including (\$557,561) general revenue.
- (\$256,500) core reduction for one-time expenditures.

OFFICE OF ADMINISTRATION

DIVISION OF ACCOUNTING (Continued)

CONTRIBUTION TO OASDHI TAXES

The state of Missouri pays the employer's share of federal Old Age and Survivors Disability and Health Insurance contributions on the salaries of all state employees, with the exception of employees of the state universities and four-year colleges. These funds are transferred to a contribution fund for matching payments to the Social Security Administration.

Fiscal Year 2003 Governor's Recommendations

- \$11,229,000 to fund contributions for state employees, including \$2,218,000 general revenue.
- \$37,000 other funds transferred from the Department of Health and Senior Services.
- (\$5,154,000) core reduction from the Fiscal Year 2002 appropriation level, including (\$5,142,000) general revenue.

CONTRIBUTION TO MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM

The state of Missouri provides a fully funded retirement program for employees through a contribution of a specified percentage of members' wages to the Missouri State Employees' Retirement System. Included in the state's contribution is a payment per month per eligible employee to the Missouri State Employees' Benefit Plan and a payment for long-term disability premiums.

Fiscal Year 2003 Governor's Recommendations

- \$4,033,000 to fund contributions for state employees, including \$2,884,000 general revenue.
- \$59,000 other funds transferred from the Department of Health and Senior Services.
- (\$39,160,000) core reduction from the Fiscal Year 2002 appropriation level, including (\$31,517,000) general revenue.

MISSOURI CONSOLIDATED HEALTH CARE PLAN

The Missouri Consolidated Health Care Plan administers health care benefits for state employees. In 1995, municipalities and other public entities were allowed to join the Missouri Consolidated Health Care Plan as well, building a larger pool of members and greater bargaining power for lower cost medical services.

Fiscal Year 2003 Governor's Recommendations

- \$29,019,430 to fund contributions for state employees, including \$20,417,551 general revenue.
- \$82,009 other funds transferred from the Department of Health and Senior Services.
- (\$3,868,797) core reduction from the Fiscal Year 2002 appropriation level, including (\$2,494,895) general revenue.

TEACHER RETIREMENT CONTRIBUTIONS

Section 104.342, RSMo, has been revised to provide that the Commissioner of Administration shall requisition monthly and certify the payment of contributions to the Public School Retirement System (PSRS). Authority to transfer and expend these monies is required to comply with the statutory provisions. Certified teachers involved are employed by the Department of Elementary and Secondary Education and remain members of the PSRS.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

OFFICE OF ADMINISTRATION

DIVISION OF ACCOUNTING (Continued)

DEFERRED COMPENSATION PROGRAM

The Missouri State Public Employees Deferred Compensation Commission, as established by Sections 105.900 to 105.925, RSMo, provides indirect compensation to state employees in the form of tax-deferred income. Section 105.927 allows the state to credit \$25.00 per month to qualified participants in the plan. The monies transferred must be paid to the various deferred compensation plans. Matching payments were made available as of January 1, 1996.

Fiscal Year 2003 Governor's Recommendations

- \$6,000 other funds transferred from the Department of Health and Senior Services.
- (\$2,000) other funds core reduction from the Fiscal Year 2002 appropriation level.

DISBURSEMENT FOR UNEMPLOYMENT BENEFITS

The state of Missouri, as a governmental entity, is required to pay contributions to the Division of Employment Security as specified by law so that unemployment claims may be paid to former employees. A governmental entity may elect to either pay contributions in advance based on a statutory formula or to reimburse the Division of Employment Security for actual claims paid out to former employees. The state of Missouri utilizes the reimbursement for actual claims paid option. By using this deferred method of payment and one central appropriation, the state simplifies the administration of unemployment benefits.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

TAXES WITHHELD IN ERROR

The Office of Administration's Division of Accounting is responsible for the withholding of federal, state, and local taxes from state employees' pay. This appropriation authority is required to refund to employees taxes withheld in error.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

VOLUNTARY LIFE INSURANCE

State employees may opt to withhold funds for voluntary life insurance. This appropriation provides expenditure authority to distribute the monies withheld to the various life insurance companies as designated by the employees.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

HUMAN RESOURCES CONTINGENCY FUND TRANSFER

This transfer section has been added to ensure that payroll checks submitted for payment against accounts with temporary allotment or fund cash flow problems can be generated within the time constraints of pay period processing.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

OFFICE OF ADMINISTRATION

DIVISION OF ACCOUNTING (Continued)

CAFETERIA PLAN TRANSFER

The state offers a tax reduction plan for state employees. The federal government requires the state to provide a sufficient balance in the medical expenses category for timely reimbursements to plan participants.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

BOARD OF PUBLIC BUILDINGS DEBT SERVICE

This appropriation is for payment of principal, interest, and reserve requirements on outstanding bonds.

Fiscal Year 2003 Governor's Recommendations

- (\$4,733,151) reallocated to Lease/Purchase.
- (\$2,187,631) core reduction from the Fiscal Year 2002 appropriation level.

LEASE/PURCHASE DEBT SERVICE

Beginning in Fiscal Year 2003, money was transferred from the Board of Public Buildings Debt Service to the Lease/Purchase appropriation in order to separate payments.

Fiscal Year 2003 Governor's Recommendations

- \$1 for Lease/Purchase refunding expenses.
- \$1 for Lease/Purchase arbitrage rebate expenses.
- \$8,418,498 transferred from the Department of Corrections.
- \$4,733,151 reallocated from the Board of Public Buildings Debt Service.

MISSOURI HEALTH AND EDUCATIONAL FACILITIES AUTHORITY DEBT SERVICE

The Missouri Health and Educational Facilities Authority (MoHEFA) has issued \$39,999,569.14 in Series A 1989 Missouri College Savings Bonds to fund building projects at the University of Missouri.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

NEW JOBS TRAINING CERTIFICATES

Sections 178.892 to 178.896, RSMo, established the New Jobs Training Program. Businesses establishing new jobs in the state can enter into an agreement with a community college district to provide training for new employees. The training is funded from the proceeds of new jobs training certificates issued by community college districts. The debt service on the certificates is payable from the employees' Missouri income tax withholding credits. If the business would sharply decrease or eliminate its operations, funds may not be available to meet debt service costs.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

OFFICE OF ADMINISTRATION

DIVISION OF ACCOUNTING (Continued)

CONVENTION AND SPORTS COMPLEX PROJECTS

SB 295 (1989) authorized annual appropriations of state matching funds for convention and sports complex capital projects in certain cities and counties. Ongoing projects include: Jackson County Sports Complex Stadium, \$3,000,000; Bartle Hall, \$2,000,000; and Transworld Dome, \$12,000,000.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

CASH MANAGEMENT IMPROVEMENT ACT

The federal Cash Management Improvement Act of 1990 and 1992 requires that the state pay interest on certain federal grant monies while deposited in the State Treasury. Interest is calculated and paid at the daily equivalent of the annualized 13-week average Treasury Bill rate.

Fiscal Year 2003 Governor's Recommendations

- \$800,000 for increased interest payments made by the state to the federal government.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD DUES

The Governmental Accounting Standards Board (GASB) was organized in 1984 to establish financial reporting standards for activities and transactions of state and local governments. Each state is assessed dues for support of the organization.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

CLAIMS AGAINST THE ESCHEATS FUND

This fund provides for the disposition of unclaimed funds from estates. Funds unclaimed for 21 years are transferred to the public school fund. Monies in the fund are invested by the State Treasurer, and the interest earnings are transferred to the public school fund.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

ARTICLE X REFUND FINANCE

Some state funds may be unable to support refunds to taxpayers under the provisions of Article X to the Missouri Constitution without endangering the programs for which they were established. This appropriation is intended to provide relief to those funds and programs.

Fiscal Year 2003 Governor's Recommendations

- \$100,000 to provide relief to funds that are unable to support refunds to taxpayers.

STATEWIDE OPERATIONAL MAINTENANCE AND REPAIR TRANSFER

This section allows for the transfer of general revenue into departmental operating budgets for statewide maintenance and repair appropriations.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

OFFICE OF ADMINISTRATION

DIVISION OF ACCOUNTING (Continued)

AUDIT RECOVERY DISTRIBUTION

A mechanism to allow the distribution of a percentage of monies recovered by the state to the audit firm that recovers the money.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

BUDGET RESERVE INTEREST

In the event that the general revenue fund borrows money from the budget reserve fund, general revenue must repay the loan with interest. This mechanism will allow that to happen.

Fiscal Year 2003 Governor's Recommendations

- \$11,999,999 for interest payments on loans from the budget reserve fund.

OTHER FUND CORRECTIONS

A transfer section is needed as a mechanism by which corrections can be made when money is erroneously deposited into the wrong fund.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

DIVISION OF BUDGET AND PLANNING

The Division of Budget and Planning analyzes state government programs and provides recommendations and information to the Governor, General Assembly, and state agencies regarding fiscal and other policies. The division prepares the budget instructions, reviews all agency budget requests, makes funding recommendations to the Governor, prepares the annual executive budget, analyzes economic and demographic conditions, forecasts state revenues, and conducts technical policy and program analysis. To assist in state government management, the division controls appropriation allotments, prepares legislative fiscal notes, evaluates programs, analyzes and develops policy options, and coordinates programs and the rulemaking process among agencies. The division prepares population estimates and projections required by state and local agencies and is Missouri's liaison to the United States Bureau of the Census. The division operates the State of Missouri Washington, D.C. office. In addition, the division uses federal grant funds for applied research in policy areas of statewide concern.

Fiscal Year 2003 Governor's Recommendations

- \$4,062 transferred from the Division of Information Services.
- (\$290,277) and (3.67) staff in core reduction from the Fiscal Year 2002 appropriation level.

OFFICE OF ADMINISTRATION

DIVISION OF INFORMATION SERVICES

The Division of Information Services provides centralized computer processing services through the State Data Center (SDC), reviews departmental data processing plans, and manages the state telephone network. The division also approves the acquisition and disposition of computer equipment, provides procurement assistance to other state agencies, and provides data processing training for state employees.

This section provides mainframe computer processing services to the Office of Administration; Missouri Department of Transportation; Secretary of State; Departments of Revenue, Mental Health, Natural Resources, Insurance, Economic Development, and others. In addition, the consolidated SDC now provides services to the Departments of Social Services, Health, Labor and Industrial Relations, and the State Highway Patrol.

Fiscal Year 2003 Governor's Recommendations

- \$249,373 for annual software licensing renewal fees associated with the maintenance and enhancement of SAMII.
- (\$1,082,682) and (13) staff reallocated to the Commissioner's Office.
- (\$900,811) core reduction for one-time expenditures.
- (\$55,128) transferred to various OA divisions.

DIVISION OF DESIGN AND CONSTRUCTION

The division reviews plans and specifications for state construction, maintenance, and repair projects; selects contracting architects and engineers; oversees capital improvements expenditures; provides information for the preparation of the capital improvements budget; and assists state agencies and institutions with building and renovation problems.

Fiscal Year 2003 Governor's Recommendations

- \$1,636 transferred from the Division of Information Services

DIVISION OF PERSONNEL

The Division of Personnel provides central personnel management programs and services to all executive branch departments in compliance with the State Personnel Law and the principles of sound personnel management. Responsibilities include operation of the Missouri Merit System, position classification and compensation management, supervisory and management training, coordination of relations with employee unions, and providing personnel management expertise and other services to assist agencies.

The Personnel Advisory Board sets rules and regulations for the Merit System, approves classifications and pay plans, conducts appeal hearings for applicants and employees, and advises the Division of Personnel and the Governor on personnel administration.

Fiscal Year 2003 Governor's Recommendations

- \$13,364 transferred from the Division of Information Services.
- (\$46,104) and (one) staff reallocated to the Division of General Services.

DIVISION OF PURCHASING AND MATERIALS MANAGEMENT

The Division of Purchasing and Materials Management centralizes procurement to save money by purchasing supplies, materials, and services in larger quantities and encourages competitive bidding and awards on all contracts. All of state government is served except the University of Missouri, Lincoln University, Truman State University, Missouri Department of Transportation, Judiciary, Lottery, and the General Assembly. It encourages the participation of suppliers, including small disadvantaged businesses, in the competitive bid process and ensures compliance with Chapter 34, RSMo. The division also coordinates recycling collection efforts of state agencies and administers the Recycling Products Preference Program. The materials management section recycles property among agencies and sells surplus state equipment through negotiated, sealed bids and auction sales. Surplus property sales receipts are used to pay the expenses of surplus property sales with the remaining receipts distributed to the appropriate state funds from which the equipment was purchased.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

OFFICE OF ADMINISTRATION

DIVISION OF FACILITIES MANAGEMENT

The Division of Facilities Management operates, maintains, and manages state-owned office buildings and various other structures at the seat of government and other locations within the state.

LEASED FACILITIES MANAGEMENT

The division is also responsible for all leased property acquired for use by selected agencies statewide. The division is the operating agent for the Office of Administration responsible for the acquisition of necessary space through the lease process. A competitive public bid process is used to acquire leased space.

Fiscal Year 2003 Governor's Recommendations

- \$481 transferred from the Division of Information Services.

STATE OFFICE BUILDINGS GENERAL REVENUE TRANSFER

This appropriation is recommended so that funds other than general revenue can be utilized for state office buildings. The same funds that support the activity of state employees in state office buildings are charged for the cost of operating and maintaining the offices. In this way, the amount of general revenue can be reduced and more appropriate funds can carry their share of the cost of these buildings. Through the transfer mechanism, general revenue will be transferred into the operating accounts as state facility maintenance and operation funds at the beginning of the fiscal year. Other state funds will then be transferred to general revenue as appropriate during the fiscal year to offset that share of the cost of office space used by staff paid by other funds.

Fiscal Year 2003 Governor's Recommendations

- \$384,213 and two staff for the general revenue transfer to the Office of Administration state facilities maintenance and operations fund for state office building operations and seat of government expenses.
- \$1 federal funds on an open-ended basis to implement homeland security measures in Missouri.
- (\$74,050) core reduction for one-time expenditures.

DIVISION OF GENERAL SERVICES

The division provides agencies with a variety of services such as printing, administration of the legal expense fund and the state employee Workers' Compensation Program, a central vehicle maintenance facility, forms management, and flight operations. The Division of General Services also provides staff to administer activities of the Missouri Public Entity Risk Management Fund, a liability insurance pool for Missouri public entities.

Fiscal Year 2003 Governor's Recommendations

- \$440,000 for increased costs incurred by the state legal expense fund.
- \$5,079 transferred from the Division of Information Services.

ASSIGNED PROGRAMS

ADMINISTRATIVE HEARING COMMISSION

The Administrative Hearing Commission conducts pre-hearing conferences and full evidentiary hearings throughout Missouri, making findings of fact and conclusions of law relative to appeals and complaints. The commission's jurisdiction includes appeals of decisions made by the professional licensing boards and taxpayers' appeals of decisions made by the Department of Revenue; the Division of Liquor Control; the Missouri Health Facilities Review Committee; the Personnel Advisory Board; and the Departments of Mental Health, Health, and Social Services.

Fiscal Year 2003 Governor's Recommendations

- \$7,884 reallocated from the Commissioner's Office.
- \$496 transferred from the Division of Information Services.

OFFICE OF ADMINISTRATION

ASSIGNED PROGRAMS (Continued)

CHILDREN'S TRUST FUND

The Children's Trust Fund and Children's Trust Fund Board are established to facilitate and fund the development of community-based prevention programs to strengthen families and prevent child abuse and neglect, and to provide public education about the problem of child abuse and its prevention. The Children's Trust Fund Board has developed a long-range plan which is reviewed annually. Activities of the Children's Trust Fund are divided into two broad areas: public education, and program development and funding. Each includes an array of programs to meet the goals of the board.

Fiscal Year 2003 Governor's Recommendations

- (\$1) other funds core reduction from the Fiscal Year 2002 appropriation level.

MISSOURI CHILDREN'S SERVICES COMMISSION

The Missouri Children's Services Commission Fund was established to receive grants, gifts, bequests, and federal grants to support the activities of the Children's Services Commission in accordance with Sections 210.101 through 210.103, RSMo.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

MISSOURI ETHICS COMMISSION

The Missouri Ethics Commission was established in accordance with the provisions in SB 262 (1991). The commission is composed of six members, not more than three from the same political party. The commission is responsible for receiving and maintaining lobbyist reports, personal financial disclosures, and election reports. It must investigate reports of campaign and ethical violations, develop ethical standards, and make determinations of allegations of ethical violations.

Fiscal Year 2003 Ethics Commission Request

Continue funding at the current level.

OFFICE OF INFORMATION TECHNOLOGY

The Office of Information Technology was established July 1, 1995, in response to a recommendation of the Commission on Management and Productivity for statewide control and planning relating to information technology in Missouri state government. The office's objectives include: implementing an information technology strategic planning process that supports agency-specific strategic planning; directing the statewide adoption of policy, procedures, and standards relating to information technology; and reviewing agency technology budgets.

Fiscal Year 2003 Governor's Recommendations

- \$8,747,743 federal funds and seven staff for the federal Justice Integration Program.
- \$600,000 to fund a continuous availability study to assess the state's readiness to provide uninterrupted services to the citizens of Missouri in the event of a catastrophic equipment failure.
- \$600,000 federal funds to fund a network consolidation study to help define efficiencies that could be generated by the consolidation of the state's computer network services.
- (\$3,349,169) and (four) staff in core reduction from the Fiscal Year 2002 appropriation level, including (\$2,838,354) general revenue.